

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
)	Chapter 11
)	
CIRCUIT CITY STORES, INC.,)	Case No. 08-35653 (KRH)
<u>et al.</u> ,)	
)	
Debtors.)	Jointly Administered
)	

**ESCAMBIA COUNTY'S RESPONSE TO
DEBTORS' THIRTY-SEVENTH OMNIBUS OBJECTION TO CLAIMS
(REDUCTION OF CERTAIN PERSONAL PROPERTY TAX CLAIMS)**

COMES NOW, Escambia County Tax Collector ("Escambia County"), by counsel and for its Response to Debtor's Thirty-Seventh Omnibus Objection to Claims states as follows:

1. Escambia County filed Claim No. 13792 (the "Claim") in the above referenced matter prior to the bar date set by this Court.
2. The claim asserts Escambia County's claim for post-petition personal property taxes which were assessed under Florida law.
3. In Debtors' Thirty-Seventh Omnibus Objection to Claims (Reduction of Certain Personal Property Tax Claims), the Debtors' assert that Escambia County's claim

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is overstated as the claimant overestimated the value of the personal property subject to taxation. Particularly, the Debtors' objection seeks to reduce the claim from \$4,638.06 to \$1,085.46. As such, the Debtors are asserting that the personal property subject to taxation was overvalued by more than 75%.

4. Escambia County hereby objects to such valuation and the Debtors proposed reduction of its claim on the grounds that the applicable period during which the Debtor could object to and/or otherwise challenge the valuation of the assets under state law has expired and on the grounds that the Debtor has undervalued the assets.

5. Under state law, the Debtors had a right to appeal the valuation of the relevant assets and otherwise challenge the tax assessed by Escambia County. The time to appeal valuation of such assets and challenge the taxes assessed has now elapsed. The Debtors, however, failed to file an appeal of the valuation and/or otherwise challenge the assessment. Pursuant to state law, the valuation and the taxes assessed are now final and non-appealable. As such, the Debtors cannot now attempt to reduce Escambia County's claim for ad valorem taxes on the grounds that the Escambia County overestimated the value of the underlying assets. See 11 USC § 505(a)(2)(C).

6. Therefore, Escambia County claim is entitled to treatment as a priority claim.

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WHEREFORE, Escambia County requests that the Debtor's objection be overruled, that the Court enter an order allowing the claim and for such other relief as the Court deems just and proper.

Dated: September 25, 2009

Respectfully submitted,

Escambia County Tax Collector

By: /s/ Jeremy W. Martin
Jeremy W. Martin, Counsel

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Certificate of Service

I certify that on September 25, 2009, a true and correct copy of **Escambia County's Response to Debtors' Thirty-Seventh Omnibus Objection to Claims (Reduction of Certain Personal Property Tax Claims)** was served by electronic transmission via EM/ECF or by regular, First-Class United States Mail, postage pre-paid on all parties required to receive notice, including the following:

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